

## Message Text

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46

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-02 TRSE-00

/041 W

----- 116425

P R 131100Z MAY 75

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC PRIORITY 8077

INFO USMISSION GENEVA

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GENEVA FOR AMBASSADOR SHERER

E.O. 11652: N/A

TAGS: EAIR, PFOR, CZ, US

SUBJECT: BILATERAL CIVIL AVIATION AGREEMENT

REF: A) PRAGUE 1014 (NOTAL); B) STATE 93742 (NOTAL)

1. ACCOMPANIED BY LOCAL DIRECTOR HYA, PAA NEGOTIATING TEAM (FLANAGAN, GROSSMAN, LOY) CALLED AT EMBASSY MAY 12 TO REPORT ON RESULTS OF INTERLINE TALKS HELD EARLIER THAT DAY.

2. PAA TEAM FEELS DEFINITE PROGRESS WAS MADE, WITH CZECHOSLOVAK SIDE AGREEING TO REMOVE SOME OF STATE BANK OBSTACLES WHICH HAVE HINDERED PAA SALES, TO ACCEPT ANNUAL "TARGET" OF \$850,000 FOR PAA SALES BY CSA AS GENERAL AGENT, AND TO RAISE ANNUAL LIMIT OF PAA LOCAL CURRENCY SALES FROM KCS 800,000 TO KSC 2,500,000 WITH PAA HAVING RIGHT TO CONVERT INTO DOLLARS THOSE LOCAL CURRENCY RECEIPTS WITHIN THIS LIMIT WHICH EXCEED PAA LOCAL EXPENSES.

3. CSA CONTINUES PUSH FOR RIGHT ISSUE ITS OWN TICKET STOCK IN US THROUGH "40 OR 50 SELECTED TRAVEL AGENTS."

PAA IS MULLING OVER

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RECOMMENDATION POSSIBLE

RESPONSES WHICH WOULD RANGE FROM ACCEPTANCE CSA PROPOSAL, THROUGH ALLOWING CSA TO USE ITS STOCK AT NEW YORK AND/OR CHICAGO CSA OFFICES OR ALLOWING CSA OFFICES IN US TO ISSUE ON PAA STOCK, TO REFUSAL CSA PROPOSAL.

4. CSA ALSO WISHES EXTENSION OF AGREEMENT FOR THREE-YEAR PERIOD. ADMITTING THAT JUNE 1 - MAY 31 TERM OF AGREEMENT IS ADMINISTRATIVELY INCONVENIENT FOR BOTH AIRLINES, PAA IS CONSIDERING RECOMMENDING EXTENSION THROUGH END OF CALANDER 1976.

5. PAA TEAM WILL PROVIDE DEPARTMENT WITH FULL REPORT ON TALKS BEFORE END OF THIS WEEK.

6. COMMENT: EMBASSY AND PAA TEAM AGREE THAT CZECHS ARE VERY CONCERNED LEST WE ALLOW AGREEMENT TO LAPSE, AND FOR THIS REASON ARE PREPARED TO MAKE AT LEAST SOME CONCESSIONS. URGE THAT WE TAKE ADVANTAGE OF MOMENTUM AND REQUEST DEPARTMENT PROVIDE US WITH TEXT OF EXTENSION PROPOSAL ASAP FOLLOWING RECEIPT OF PAA TEAM REPORT.

PERRY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, AVIATION AGREEMENTS, NEGOTIATIONS, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 MAY 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** EAIR, PFOR, CZ, US  
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